



# **SSF WORKING GROUP**

**15 - 24 April 1998**



# Purpose

- **To outbrief results of Single Stock Fund Working Group session 15-24 Apr 98**
- **Discuss courses of action and recommendations**
- **Gain decision to brief Single Stock Fund Executive Steering Committee**



# Discussion Topics

- **Mission and Focus**
- **MS1A Workgroup Process**
- **Courses of Action**
- **MS1A Roles and Responsibilities**
- **MS1A OA Distribution**
- **MS1 Demonstration**
- **Exit Criteria**
- **Summary and Recommendations**



# Why We Are Here

## MISSION

- Merge retail & wholesale stock funds by 1 Oct 98
- Define “Merge”
- Identify impacts
- Establish exit criteria
- Develop implementation plan

## HOW

- Group effort
- Identify what we specifically need to do to make changes
- Identify changes that need “undoing”
- Any dissenting positions must be clearly defined and defended



# Who Is Represented?

- HQDA
  - DA-DSCLOG
  - ASA (FM&C)
- AMC
  - TACOM
  - CECOM
- DSS-W
- NGB
- DFAS
- FORSCOM
- LIA
- TRADOC
  - CASCOM
- PMO-ISM
- AAA
- USARC
- USAREUR
- USARPAC
- GRCI



# Assumptions

- **SSF MS1A establishes requirements for the Army's end-state system -- GCSS-Army as well as LOGMOD and DJAS**
- **All supply and finance systems changes for MS1A will be funded and implemented**
- **Will not interfere with current fielding of logistics and financial systems (STARFIARS-MOD, SARSS, ILAP, SAMS I/TDA, et. al.)**

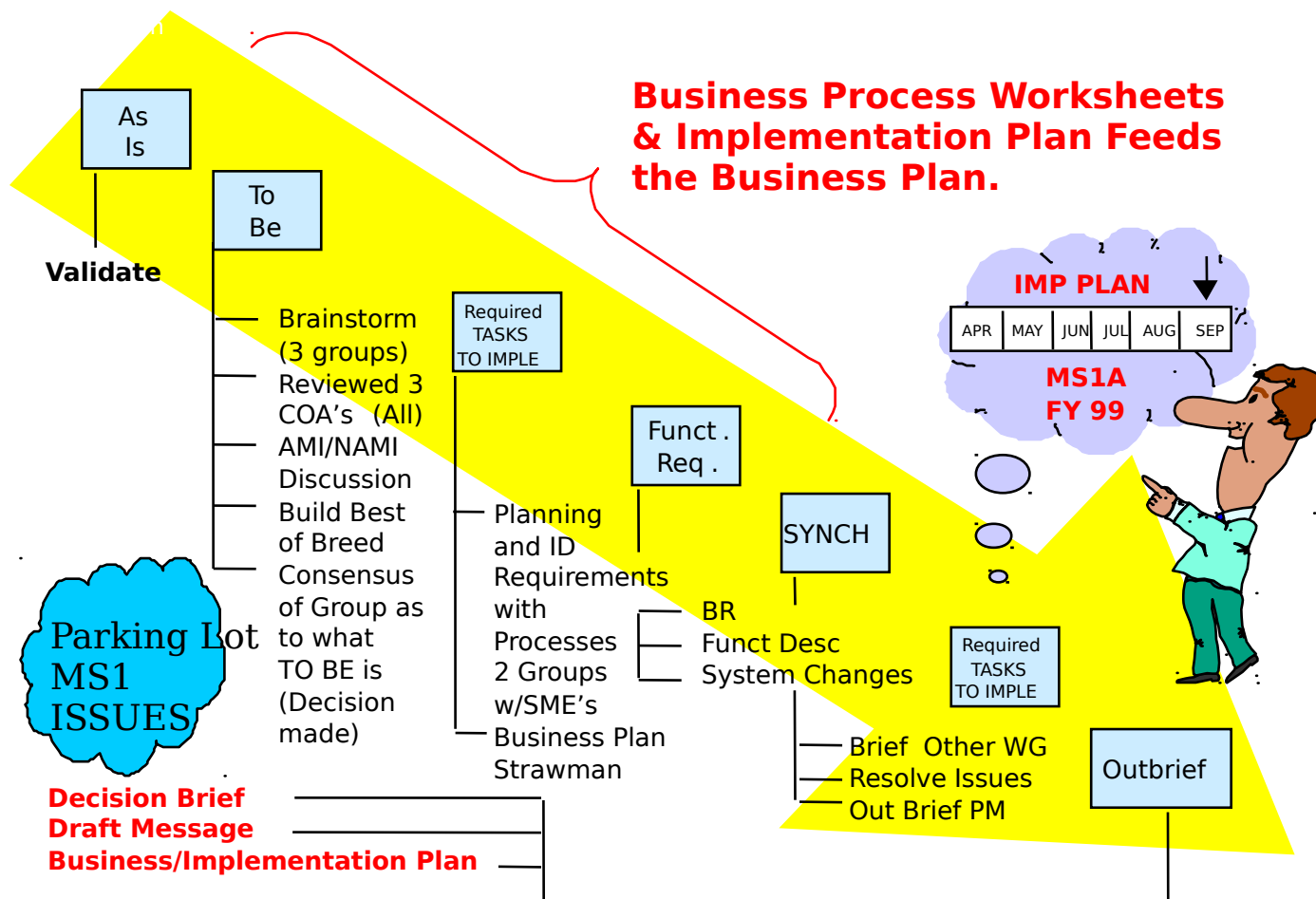


# Constraints

- **Insufficient time to make major changes to legacy logistics and financial systems.**
- **No adverse financial impact on the field**
- **Supports current OPTEMPO funding**
- **No adverse impact on readiness**



# Process for SSF Working Group Session







# Brainstorming Session

## 3 Courses of Action

- **RE-ENGINEER OA/CREDIT DISTRIBUTION FLOW.**
  - ✓ The source of OA/Credit for the MACOMs is AMC
  - ✓ DALO-RMI manages and AMC executes AWCF SMA PPBES processes
  - ✓ Field MACOMs become designated as USAMC sub-home offices
- **PUSH WHOLESALE TO INSTALLATION AT 1 TO 2 SITES THROUGH A DEMONSTRATION. (CCSS / SDS)**
  - ✓ Elimination of RSF OA/Credit at selected sites
  - ✓ Direct consumer funding of AMI requisitions
  - ✓ RSF stays in place for NAMI
  - ✓ Retail and Wholesale AWCF remain unchanged at all but the test sites
- **RE-ENGINEER OA/CREDIT DISTRIBUTION FLOW, AND ESTABLISH A NATIONAL BUSINESS OFFICE.**
  - ✓ The source of OA/Credit for the MACOMs is NBO
  - ✓ Financial reports will summarize up to NBO from the MACOMs
  - ✓ Field MACOMs become designated as NBO sub-home offices



# Best of Breed Session

**MS1A SSF will merge the wholesale and retail stock funds through:**

- **A “new” SSF national management process that realigns roles and responsibilities of DA-DCSLOG and MACOMS**
- **Distribution and execution of AWCF-SMA OA/credit by the AMC**
- **Demonstrate linkage of wholesale AWCF- SMA to installation at 3 sites during FY 99.**



# SSF MS1A Does Not:

- **Constitute a single point of sale**
- **Eliminate retail AWCF-SMA**
- **Provide the Army with an integrated requirements determination process**



# Best of Breed Recap

- **National Management Process**
- **Distribution and Execution of AWCF-SMA      OA/Credit**
- **Demonstrate Linkage of Wholesale AWCF-SMA      to Installation**



# Single Stock Fund

## National Management Process and Distribution and Execution of OA



# MS1A Definition

**A “new” SSF National Management process that realigns financial roles and responsibilities of DA DCSLOG and MACOMs**

- DA DCSLOG manages and AMC executes AWCF-SMA PPBES processes
- Includes AMI and NAMI

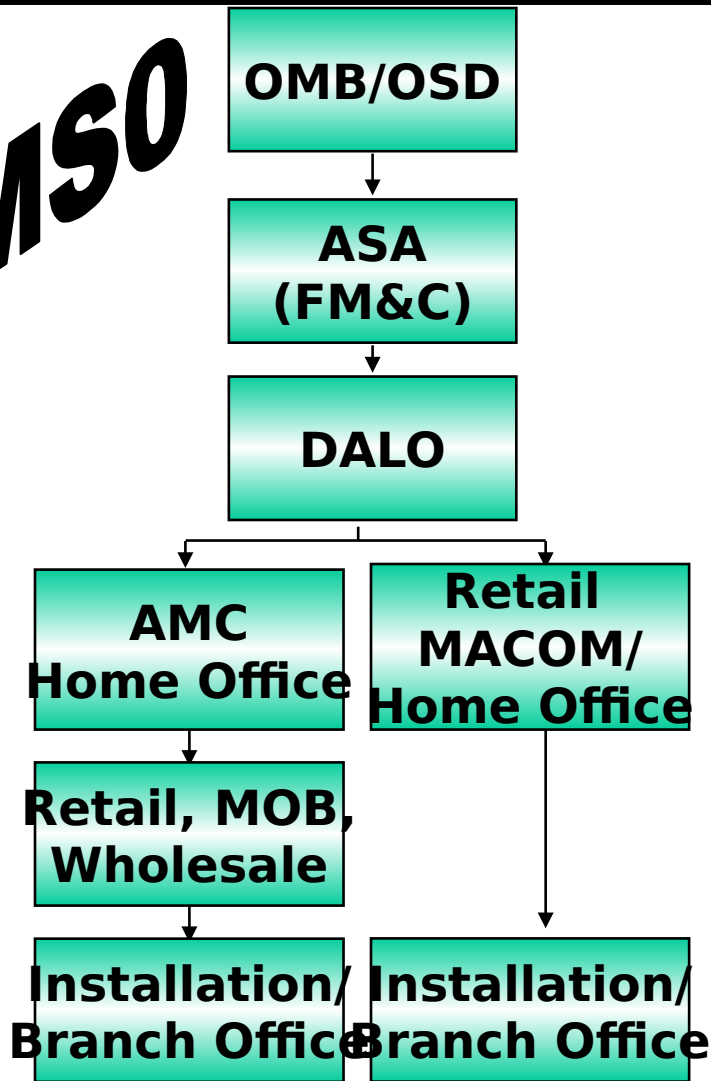
**Distribution and execution of AWCF-SMA OA/Credit by the AMC**

- Re-engineer OA/Credit distribution flow
- The source of OA/Credit for the MACOMs is AMC
- MACOM summary financial reports to AMC
- MACOMs SMA activities designated as USAMC sub-home offices

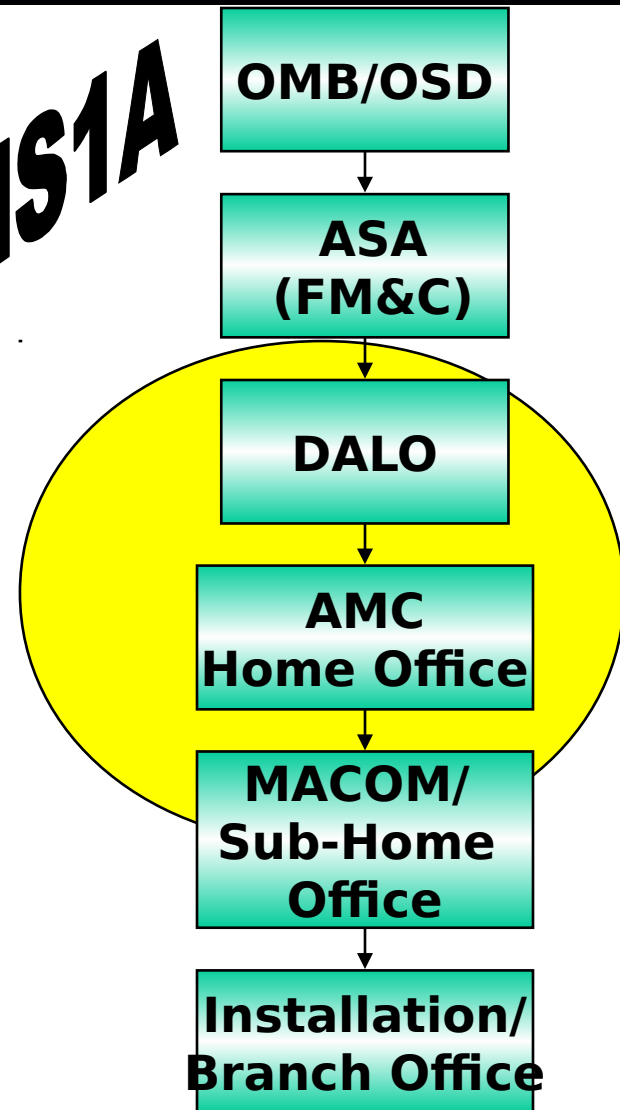


# Roles and Responsibilities SMA Management

**MSO**

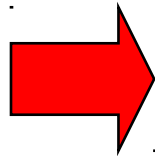


**MS1A**





# SSF MS1A Revised Roles and Responsibilities



- **Mission essential tasks**
- **OA distribution and execution**
- **Benefits**
- **Decisions required to implement**
- **Implementation Actions Required**





# **Sma Management Roles and Responsibilities (Mission Essential Tasks)**

- **Policy**
- **Program and Budget**
- **Budget Execution**
- **Cash Management**
- **Liaison with others**



# Mission Essential Tasks Policy

	MS 0	MS 1A
Set fiscal policy	F	F
Develop RPI Policy	D	D
Approve RPI List	D	D
Develop and Propose RPI List	A	A
Approve Exception to Policy Bypass Authority	D	D
Approve logistical realignment (expense vs. investment)	D	D
<i>Shifts from DA home office to an AMC sub-home office</i>	M	<b>M</b>
Establish MACOM Policy in accordance with DA policy for Retained and Consumable Credit Tables	M	M
Establish local SMA policies	M/I	M/I

**F= ASA (FM&C); D=DALO; A=AMC; M=MACOMs; I=Installations**

**+ = Increasing Role      - = Decreasing Role**

**Blue = Change in scope      Red = New or transferred mission**



# Mission Essential Tasks Program and Budget

	MS 0	MS 1A
Develop Budget Guidance	D	D
Publish Budget Guidance	F	F
<i>Develop Supplemental Budget Guidance</i>	A	<b>A+</b>
OPTEMPO WorkGroup Business to Operational Customer Funding (DAMO-TR, SAFM-BUO, PA&E)	D	D
Develop SMA Policy including Credit and Pricing	D	D
Develop DA Alternate Credit Rates (for PPBES and materiel returns)	D	D
Develop and Propose Surcharge	A	A
Review, Mark and Approve Surcharge	D	D
Develop Pricing and Credit Rates (NSN by NSN)	A	A
Develop Initial Spares BES	D	D
Initial Provisioning and Maintenance Reviews (OP29)	D/A	D/A

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# Mission Essential Tasks Program and Budget (Cont'd)

	MS 0	MS 1A
Review, Mark and Approve Wholesale SMA Budget	D	D
Review, Mark and Consolidate AMC-ID (Retail) SMA Budget	A	A
Review, mark, consolidate, submit and defend Retail Budget	M	<b>M</b>
Review, Mark and Consolidate Wholesale ICP SMA Budgets (Hardware, LOGOPs and Capital)	D/A	D/A
Review, Mark and Consolidate AMC MOB Activity Budget	D/A	D/A
<i>Review, Mark and Approve SMA Budget</i>	D	<b>D-/A+</b>
<i>Consolidate Wholesale, Retail &amp; MOB Budgets for SMA Budget</i>	D	<b>D-/A+</b>
<i>Defend Budget at HQDA, assist DA at OSD/OMB hearings</i>	A	<b>A+</b>
Defend Budget before OSD/OMB	F/D	F/D
<i>DMRD and PBD Review, Analyze and Report</i>	D/A	<b>D-/A+</b>

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# Mission Essential Tasks Program and Budget (Cont'd)

	MS 0	MS 1A
<i>Staff Visits to MACOM sub home offices for Budget &amp; Execution Reviews</i>	D	<b>A</b>
Staff Visits to ICPs for Budget & Execution Reviews	A	A
Staff Assistance visits to installations	A/M	A/M
<i>Focal point to arbitrate SMA budget and execution between field MACOMs and AMC</i>		<b>D</b>

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# Mission Essential Tasks Budget Execution

	MS 0	MS 1A
Review and process reprogramming actions	F/D	F/D
<i>Support HQDA DCSLOG</i>	D/A/M	<b>D-/A+/M</b>
<i>Performs Financial/Logistical Inventory Reporting (SSIR, QSR, S4A, Statement 7)</i>	D/A/M /I	<b>D- /A+/M/I</b>
Resolve MRP credit reversal controversies between field MACOMs and AMC	D	D
<i>Conduct Execution Reviews and Compile Reports</i>	D/A/M	<b>D-/A+/M</b>
Monitors execution of Retained and Consumable Credit Tables	M/I	M/I
Maintains oversight and monitors DA alternate credit rates	D/M/I	D/A/M/I
Manage mobility stocks	D/A	D/A
Manage Operational Project Stocks	D/M/I	D/M/I

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# Mission Essential Tasks Budget Execution (Cont'd)

	MS 0	MS 1A
<i>MACOM-level execution reporting</i>	D/A/M	<b>D/A+M</b>
<i>Report of Execution data</i>	F/D/A/M/I	<b>F/D-/A+M/I</b>
<i>Manage OA/Credit/UCG Execution</i>	D/A/M/I	<b>D-/A+M/I</b>
Pay DoD Bills (SDT, DLA Over Ocean, DLA Supply Depots, et. al.)	A	A
Investigate and prosecute ADA (1517) violations	F/D/M/I	F/D/M/I

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# Mission Essential Tasks Cash Management

	MS 0	MS 1A
Army AWCF cash manager	F	F
<i>Net Outlay Management and Reporting</i>	D/A/M/I	<b>D-/A+/M/I</b>

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# Mission Essential Tasks Liaison With Others

	MS 0	MS 1A
Army liaison to DFAS (FO)	F	F
Army AWCF focal point for OSD liaison	F	F
<i>Participates in new systems installation and testing</i>	F/D/A/M/I	<b>F/D/A+M/I</b>
Participates in Joint Service Working Groups for DWCF	F/D	F/D
Resolve and report financial and logistical systems problems to their proponent agencies	F/D/A/M	F/D/A/M

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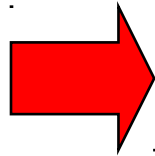
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# SSF MS1A

## Revised Roles and Responsibilities



- **Mission essential tasks**
- **OA distribution and execution**
- **Benefits**
- **Decisions required to implement**
- **Implementation Actions Required**



# OA Distribution and Execution

- **Mission Essential Tasks**
- **“As Is” and “To Be” process flow**
- **Business rules**



# Mission Essential Tasks OA/Credit Execution

	<b>MS 0</b>	<b>MS 1A</b>
<i>Issue OA/Credit</i>	F/D/A/M	<b>F-/D-/A+/M</b>
Realign OA/Credit between ICPs and within ID as needed	A	A
<i>Realign OA/Credit between MACOMs as needed</i>	D/M	<b>A/M</b>
Re-allocate between installations	A/M	A/M
<i>Request for additional resources</i>	F/D/A/M/ I	<b>F/D-/A+/M/I</b>

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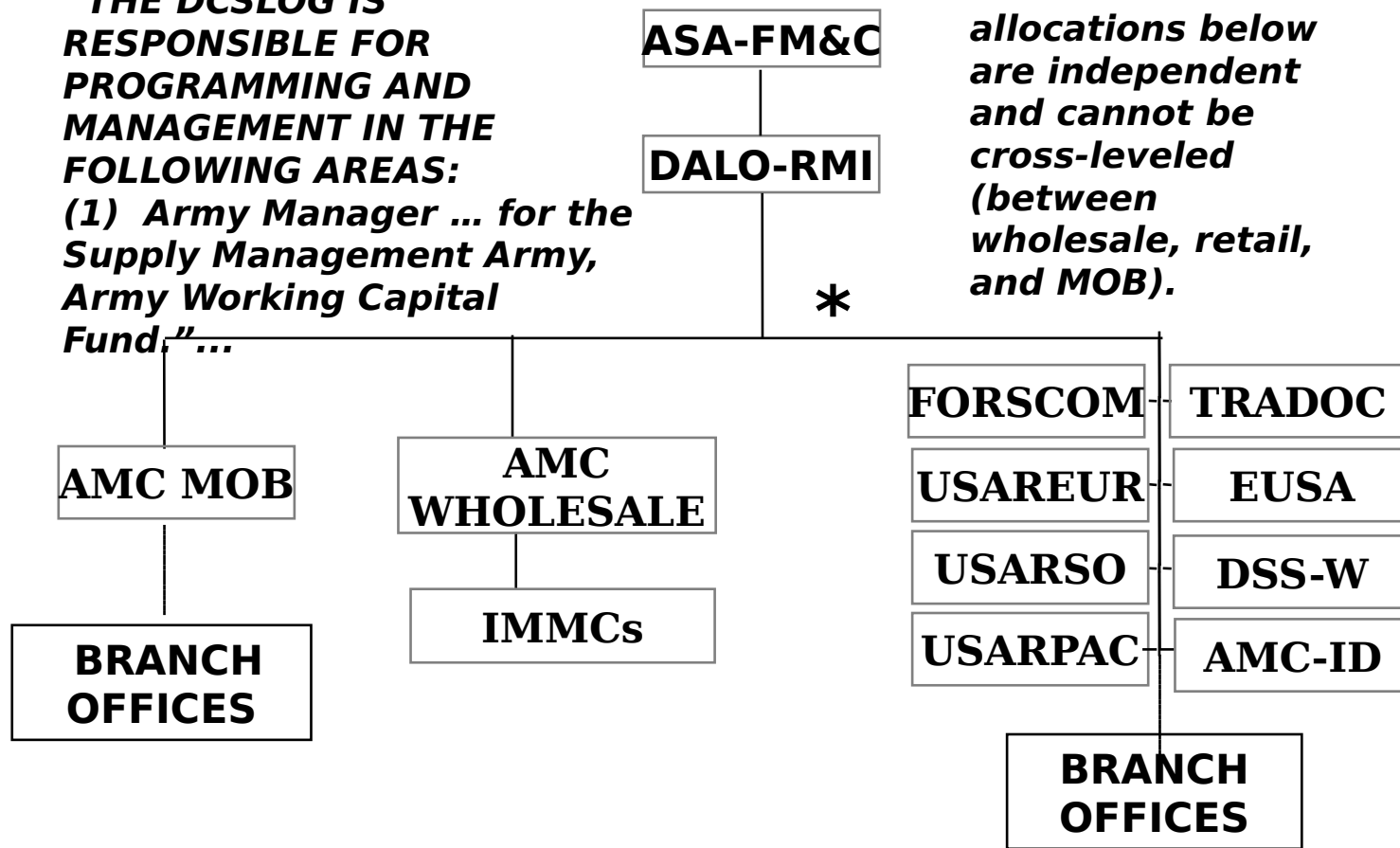
# Supply Management, Army Obligation Authority and Credit Authority Flow As Is

**AR 10-5**

**"THE DCSLOG IS  
RESPONSIBLE FOR  
PROGRAMMING AND  
MANAGEMENT IN THE  
FOLLOWING AREAS:**

**(1) Army Manager ... for the  
Supply Management Army,  
Army Working Capital  
Fund,"...**

**\* Each of the  
allocations below  
are independent  
and cannot be  
cross-leveled  
(between  
wholesale, retail,  
and MOB).**



FUNDS ARE DISTRIBUTED ON A FUNDING AUTHORIZATION DOCUMENT (FAD) (DA FORM 1323)



# Supply Management, Army Obligation Authority and Credit Authority Flow "1 Oct 98"

**AR 10-5**  
**"THE DCSLOG IS RESPONSIBLE FOR PROGRAMMING AND MANAGEMENT IN THE FOLLOWING AREAS:**  
**(1) Army Manager ... for the Supply Management Army, Army Working Capital Fund."...**

ASA-FM&C

DALO-RMI

AMC \*

**\* Each of the allocations below are independent and cannot be cross-leveled (between wholesale, retail, and MOB).**

AMC MOB

AMC  
WHOLESALE

IMMCs

BRANCH  
OFFICES

FORSCOM

TRADOC

USAREUR

EUSA

USARSO

DSS-W

USARPAC

AMC-ID

BRANCH  
OFFICES

FUNDS ARE DISTRIBUTED ON A FUNDING AUTHORIZATION DOCUMENT (FAD) (DA FORM 1323)



# MS1A Business Rules

Business rules do not require reversal for MS1

- **Authority to redistribute OA and Credit Authority among retail divisions will reside with AMC in coordination with the MACOMs**
- **No additional limitations placed on retail stock fund FADs by AMC**
- **MACOMs must go to AMC first to resolve issues within the SMA**
- **No change for installations**
- **There will be no changes in the credit policy**

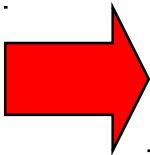
Some credit policy changes at demo sites

We took a look at the Air Force SMAG....MS1A positions AMC closer to the role played by Air Force Materiel Command.



# SSF MS1A

## Revised Roles and Responsibilities

- 
- **Mission essential tasks**
  - **OA distribution and execution**
  - **Benefits**
  - **Decisions required to implement**
  - **Implementation Actions Required**



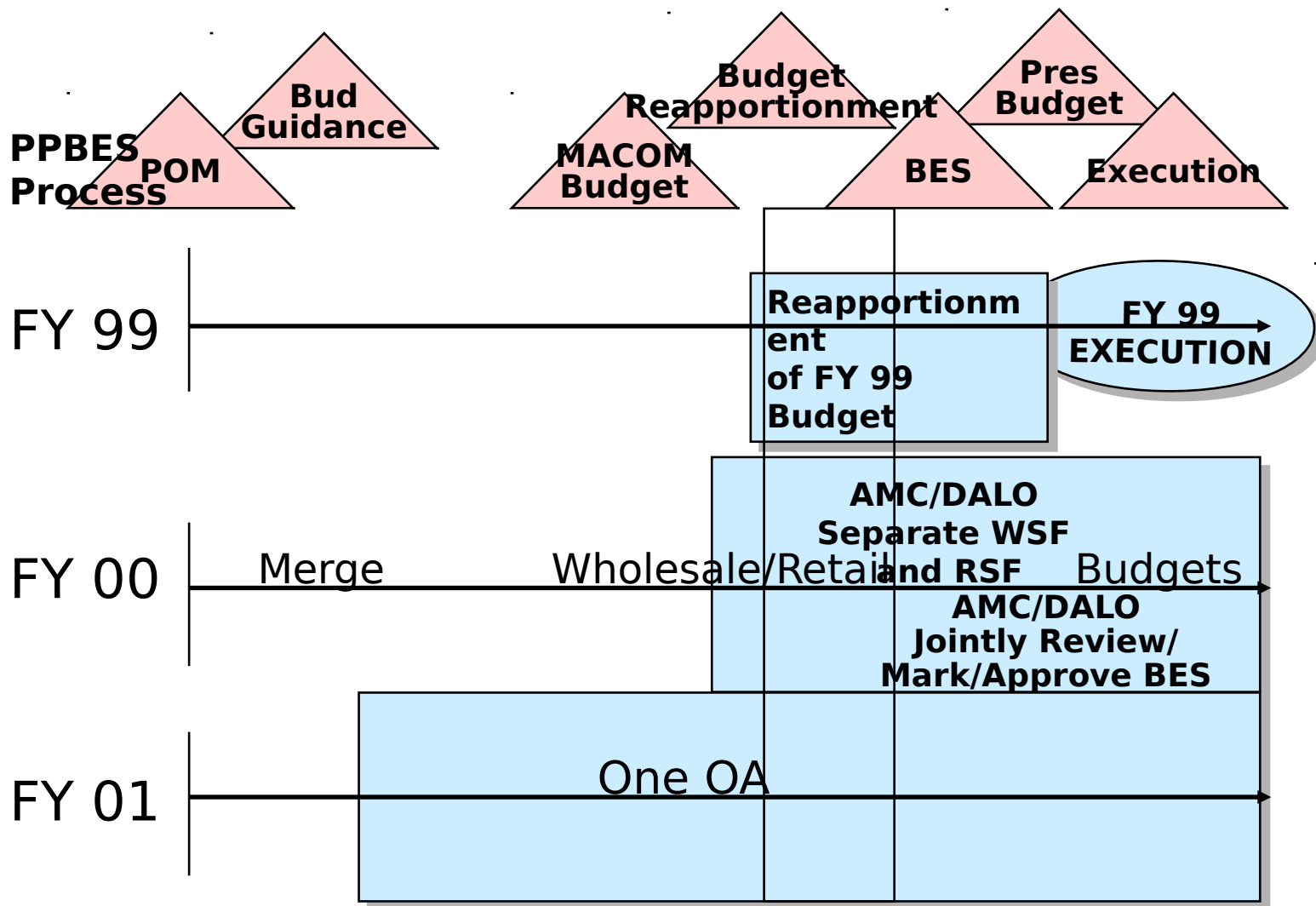


# Benefits of Changing Roles and Responsibilities

- **Positions AMC to assume full AWCF-SMA management**
  - Accelerates AMC participation in SMA PPBES
  - Provides a better SMA budget for the Army
- **Forges the relationship between MACOMs and AMC - moving them closer to their roles at SSF end state**
- **Begins a logical transition period for SMA program and budget**



# Benefits of Program Budget Integration





# Decisions Required to Implement Realigned Financial Roles and Responsibilities

- **Accept** the revised financial Roles and Responsibilities
- **Validate AMC** as the National Manager for AWCF-SMA by 1 May 98 to:
  - Incorporate changes in DFAS-IN 37-100-99
  - Increase AMC involvement in FY 99-01 SMA PPBES process
- **Approve Change in OA/Credit flow** effective 1 Oct 98

(F)  
**Changes must be in DFAS  
NLT 1 June 98**



# MS1A Implementation Actions Required

- **DCSLOG/ASA(FM&C) message - outlines SSF MS1A changes; provides AMC authority to execute**
- **AMC identifies the resource requirements for MS1A**
- **PM SSF Memorandum request to DFAS to change report flow NLT 15 May 98**
- **PM SSF Memorandum to change DFAS-IN 37-100-99 (ASA-FM&C approve by 1 Jun 98)**
- **DALO-RMI update AWCF-SMA Charter to reflect MS1A changes NLT 1 Aug 98**
- **ASA(FM&C) Memorandum to DFAS for PBAS change NLT 1 Sep 98**



# Single Stock Fund

## Demonstrate Linkage of Wholesale to Installation



# Outline

- **Objectives & Assumptions**
- **Demonstration Parameters & Timelines**
- **Site Considerations**
- **Summary & Recommendations**



# Objectives

- **Single point of sale**
- **Single credit process**
- **Integrated requirements determination and execution process**
- **Minimal impact to Commander's ability to execute mission**

**Goal**



# Assumptions

- **Successful demonstration is the first phase of Army implementation (FUE)**
- **Ability to perform immediate release of stocks stored at demo sites.**
- **Demo establishes environment of MS1**
- **Any financial and billing issues resulting from the demonstration will be resolved by HQDA**

***OA and Credit will require unique management at the demo sites***

***Promise no financial impact at demo sites in FY99!***





# Approach

- **Goal:** Link national AWCF-SMA to installation customers
- **Plan:**
  - **Test selected processes and features of MS1 in Lab (1st QTR FY99)**
  - **Test at selected field sites:**
    - Phase 1: TRADOC & AMC (Jan-Mar 99)
    - Phase 2: Extend to FORSCOM (Date TBD)
- **Options Considered:**
  - Only AMI (would exclude AMC site)
  - AMI & NAMI
- **Evaluation:** Task an Independent Agency to conduct

**Impact on credit, sales and integrated Rqmts**

**Systems and middleware solution TBD!**



# Assessment

## **AMI-ONLY OPTION**

### **PROs:**

- Easier to implement
- Does not extend AMC structure
- Optimizes use of Army reparable

### **CONs:**

- Continues RSF processes
- More difficult for O&M customer to track
- SSA using dual systems

## **AMI-NAMI OPTION**

### **PROs:**

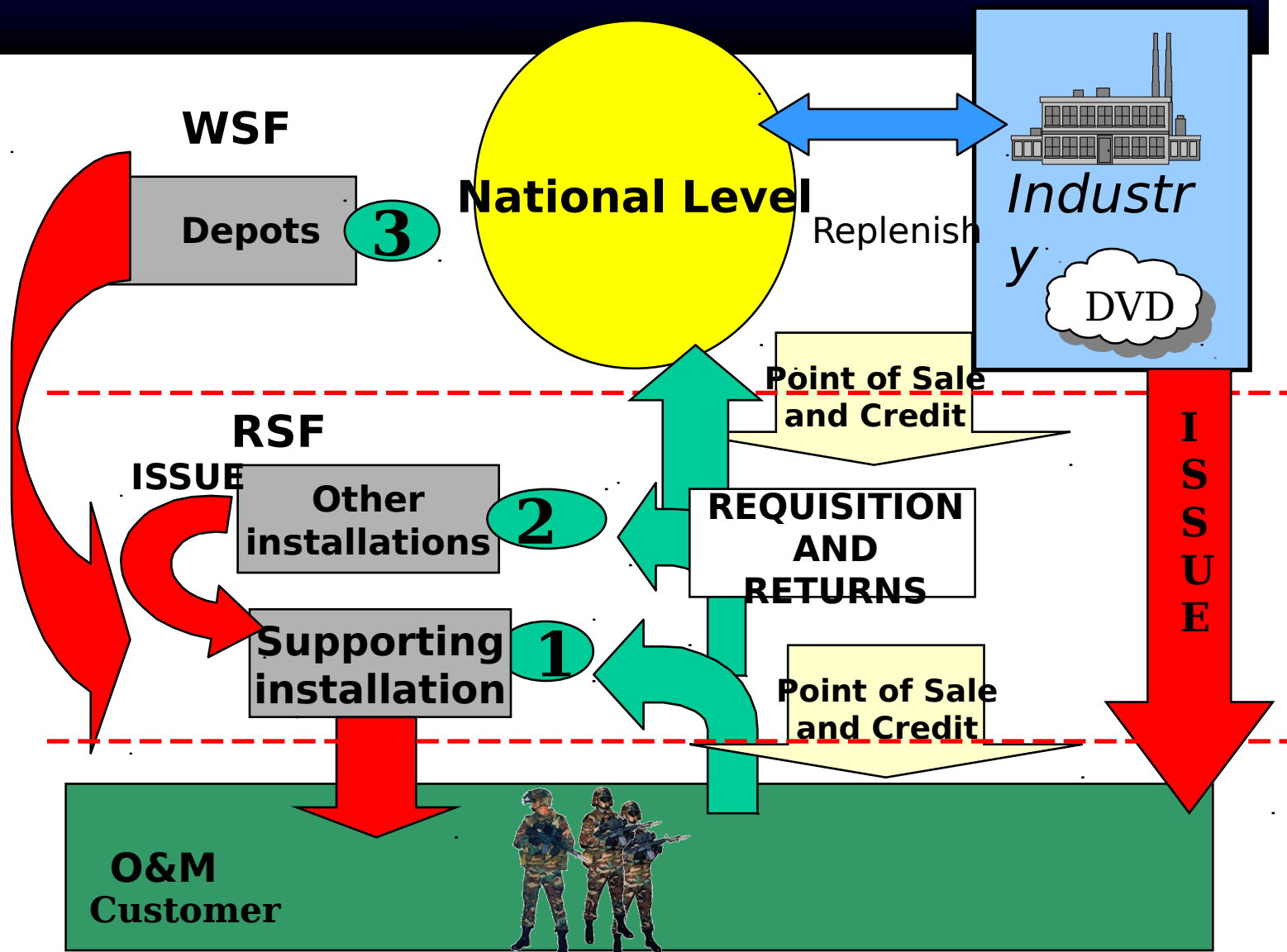
- Minimal impact to the Commander
- One process for all Army-owned materiel
- Single ownership record
- Moves closest to needs-based Army credit system

### **CONs:**

- Possible OSD opposition
- Increases complexity of implementation

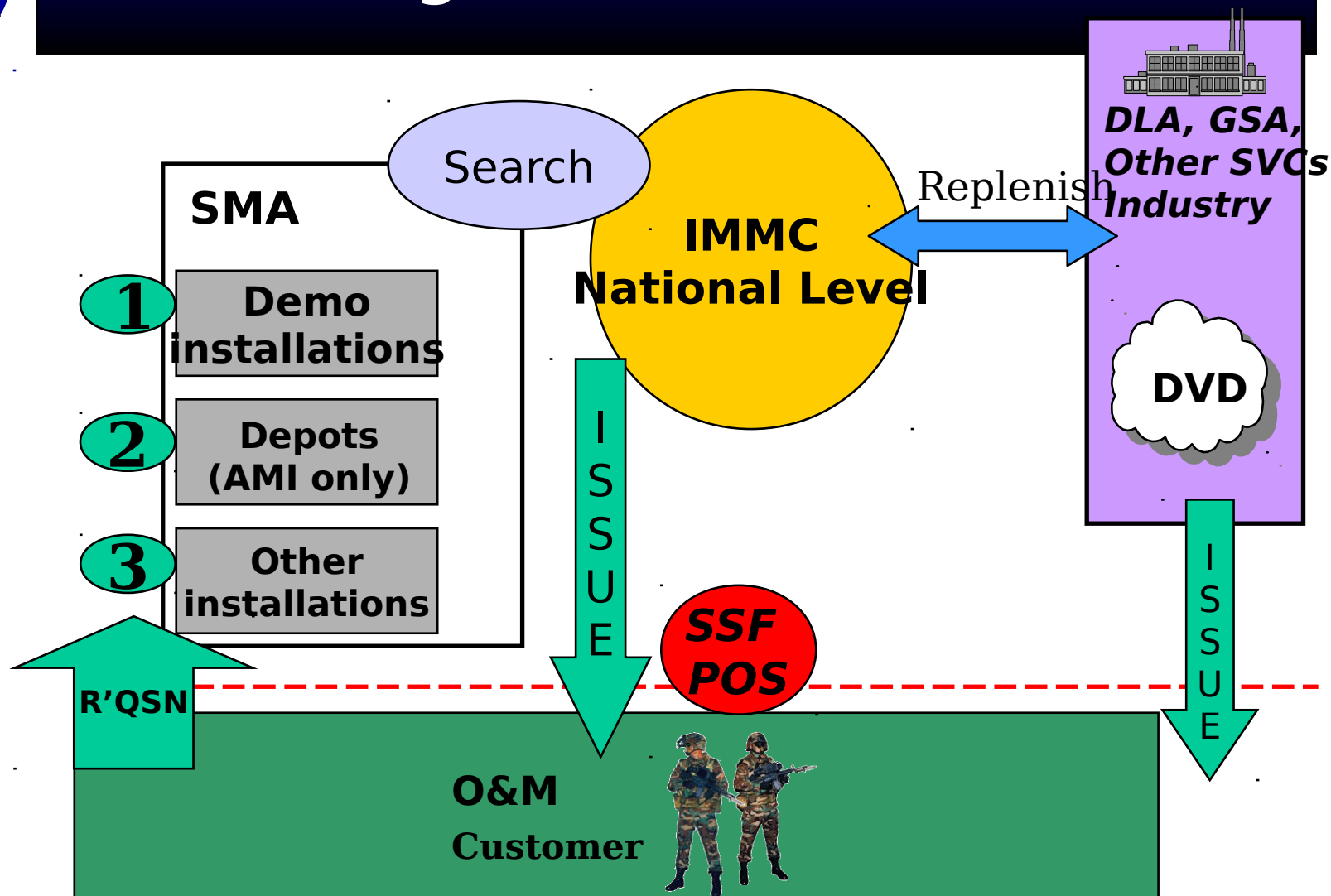


# As Is Process Flow





# Single Point of Sale





# Single Point of Sale Overview

## **BENEFITS:**

- Demonstrates a key SSF process
- Increases management efficiency for Army-owned inventory
- Streamlines financial/billing procedures

## **RISKS:**

- Increased workload for AMC
- Residual installation impacts

## **ASSESSMENT**

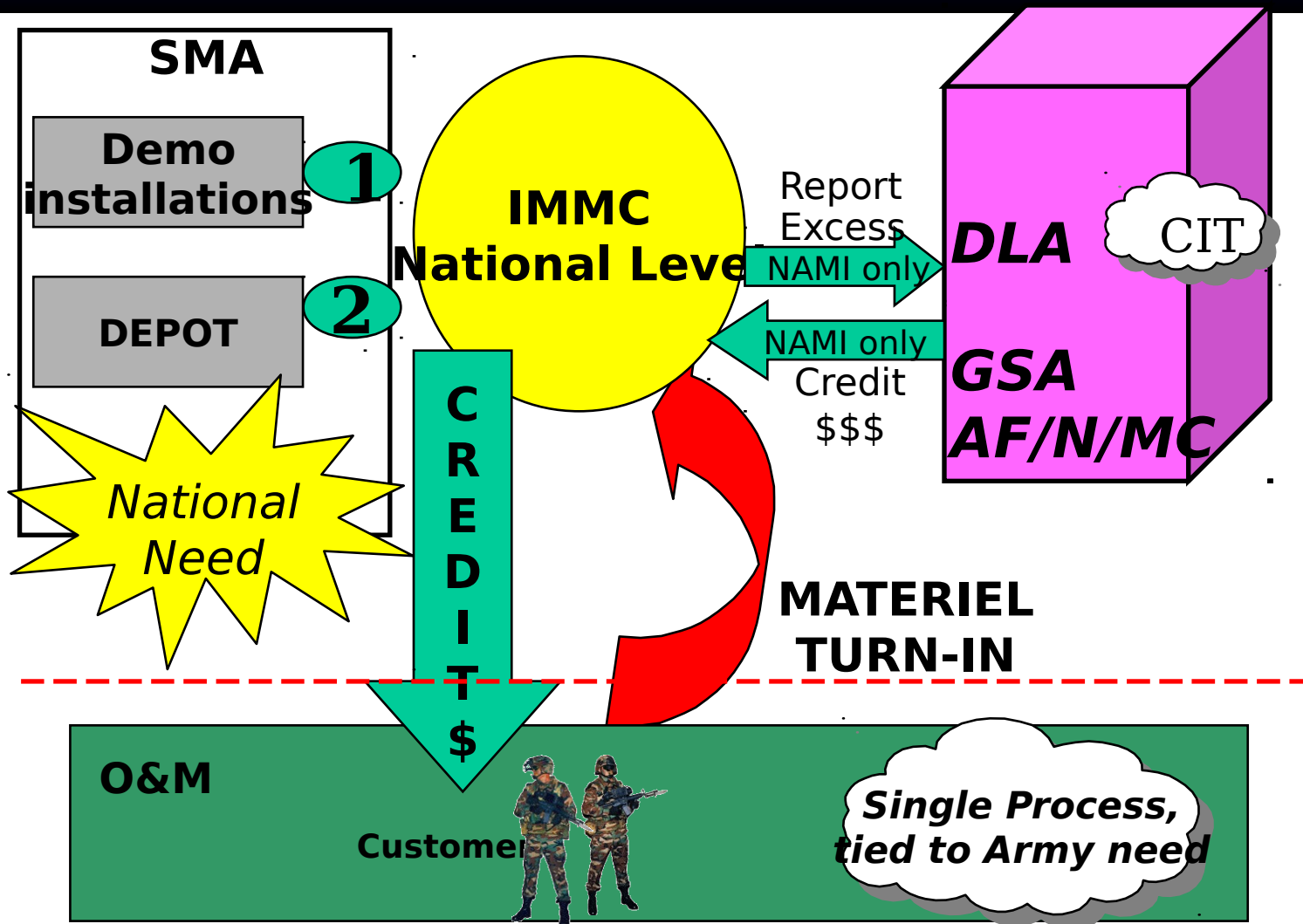
Low  
Low

## **ACTIONS REQUIRED:**

- Army policy and procedures to update DoD Lateral Redistribution Tables.
- DoD waiver to handle NAMI stocks for the Army when no SOS credit will be given.
- NAMI IMMC for data management



# Single Point of Credit





# Single Point of Credit Overview

## BENEFITS:

- Demonstrates a key SSF process
- Extends management efficiency & responsibility for Army-owned NAMI inventory
- Moves us toward a needs-based credit policy

## RISKS:

## ASSESSMENT

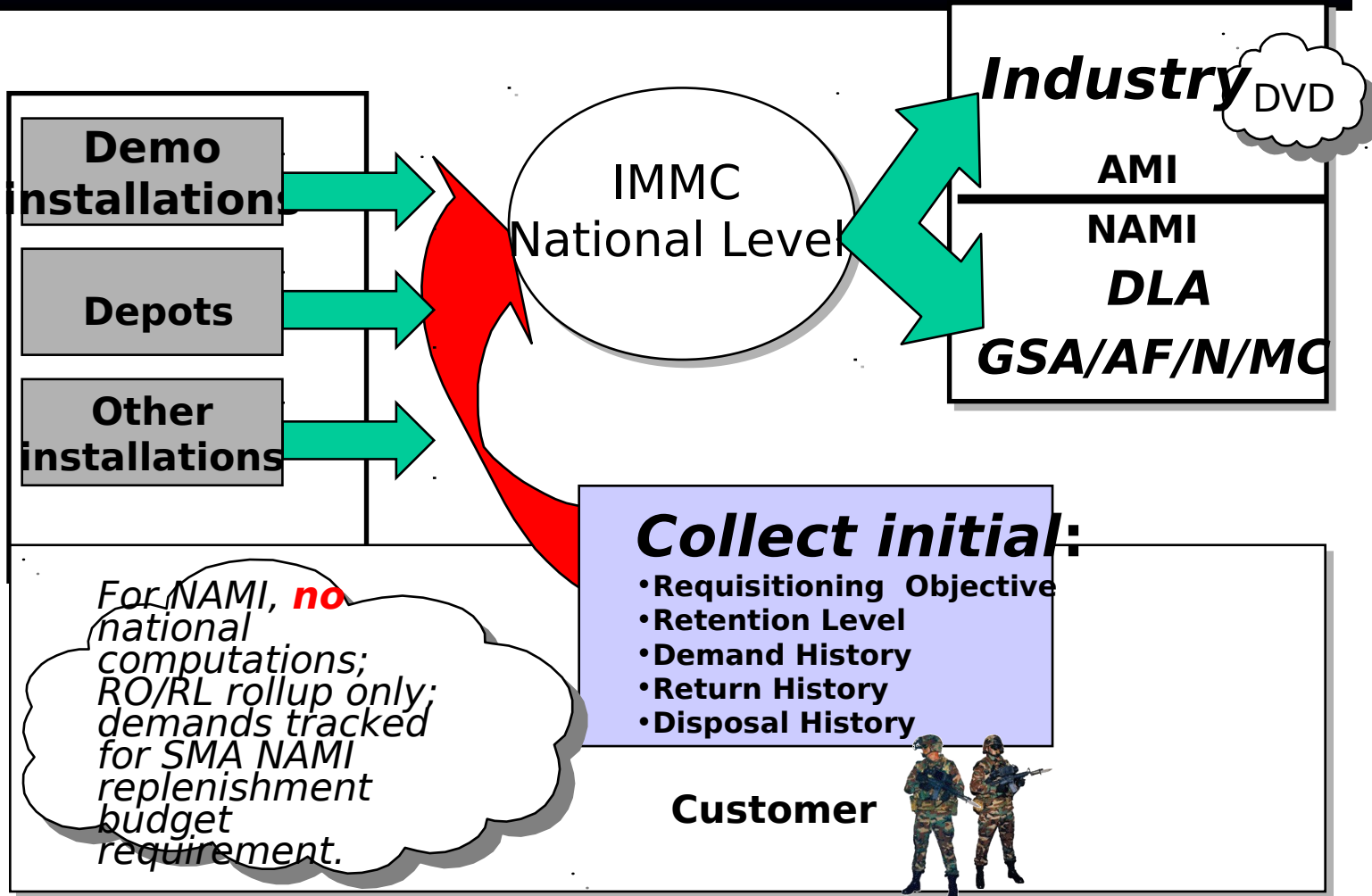
- |   |        |
|---|--------|
| • Increased workload for AMC              | Medium |
| • Accurate calculation for NAMI credit    | Medium |
| • May pay out more credit than we receive | Medium |

## ACTIONS REQUIRED:

- Mechanism to provide & track credit to O&M account
- Lab test to determine impact on credit, sales & integrated rqmt's



# Integrated Requirements Determination & Execution Process







# Integrated Requirements Determination & Execution Process Overview

## BENEFITS:

- Moves towards defining Army requirement for SMA dollars
- Allows national level to formulate a budget request for NAMI
- Provides better audit trail of SMA dollars required for NAMI
- Centralizes management of a decentralized process
- Promotes reutilization of current Army assets

## RISKS:

- Increased NAMI workload (budget & distribution)
- Perception issue at OSD

## ASSESSMENT

Medium

Medium

## ACTIONS REQUIRED:

- DoD waiver to handle NAMI stocks for Army budget requests



# Site Selection Criteria

- **Medium-sized with sufficient activity for data analysis**
- **CONUS Installations**
  - **Focus demo control/direction**
  - **Shorter OST than OCONUS**
- **Should have ISM operations and SAMS-I/TDA (if available)**
- **Avoid other planned major systems demos/exercises**
- **A single financial system should support the demo installation**
- **No contractor-based proprietary systems, i.e., Dyncorp at Ft Rucker**



# Proposed Metrics

## Task

- **Pass O&M Requisition**
- **Position & Release AWCF-SMA Stocks**
- **Financial Synchronization**
- **Recording Demand Data**

## Key Measurements

- **# of requisitions w/definitive supply status**
- **Supply status**
  - release time
  - issue time
  - customer receipt time
- **Obligation of O&M**
- **Processing of Interfund Billing**
- **Closed loop system**
- **Record O&M Demands at National Level**



# Proposed Metrics (Cont'd)

## Task

- Turn-in of Excess to National Level
- Provide Credit

## Key Measurements

- Recorded at National Level
- Compare returns to turn-ins
- Based on National Level Asset Position
- Track credit issued by ICP



# Exit Criteria




- **We Will:**
  - **Demonstrate Single Point of Sale**
  - **Demonstrate Single Credit Process**
  - **Demonstrate Integrated Requirements**
  - **Determination and Execution Process**
  - **Maintain AWCF-SMA fund solvency**
  - **Demonstrate minimal impact to Commander's ability to execute mission**

**After Action Report will include a Get Well Plan for any deficiencies noted**



# Demonstration Benefits

- **What will we do?**

-  **Create a National Stock Record for Army Assets, integrated with a requirements determination process**
-  **Reduce redundant transactions in the Retail Stock fund with Single Points of Sale and Credit**
-  **Improve Army's ability to use what we already own.**

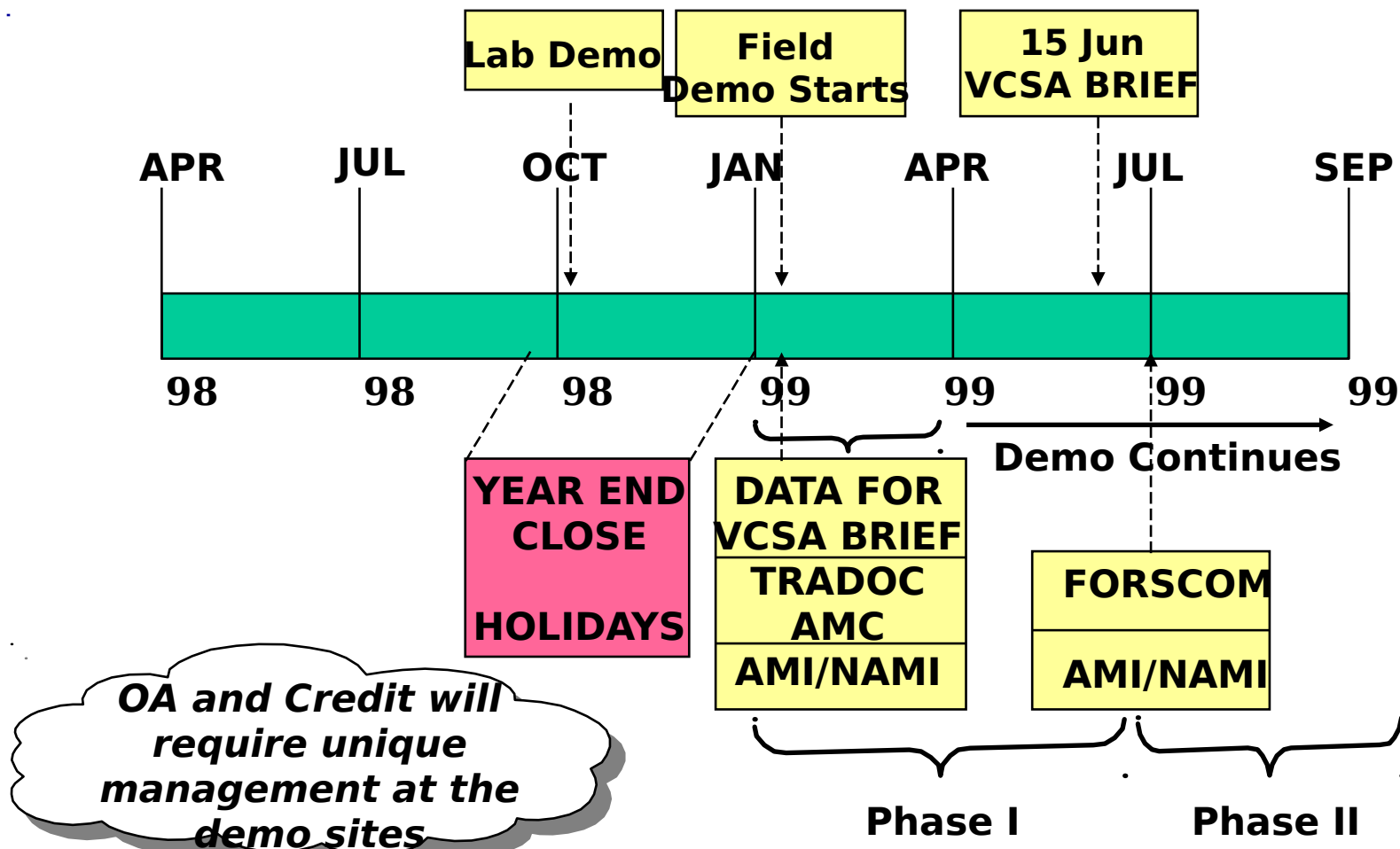


# Issues

- **Impact on DFAS systems for the demo, i.e., local purchase, interfund billing, obligation procedures, etc.**
- **Who receives reimbursement for NAMI DoD lateral redistribution actions**
- **Determine which services and materiel are currently paid for by the RSF and will not be reimbursed by the SSF**
- **Extremely compressed timeframe!**



# Demonstration Timeline







# Exit Criteria for MS 0 to MS1A

- **Approval and implementation of revised financial roles and responsibilities (AWCF-SMA)**
- **Issuance of FY99 AWCF-SMA obligation authority to field MACOMs by AMC - National Manager**
- **Successful test of the new routing of financial reports**
- **Changes to DFAS-IN 37-100-99**
- **Demonstration plan in place**



# Summary

- **Merges Management Single Stock Fund  
Obligation Authority below  
Department Level**
- **Minimizes turbulence to MACOMs and  
Installations**
- **Realigns AWCF-SMA execution mission to an  
operational command - AMC**
- **Positions the Single Stock Fund as a  
single manager**

**Supports Campaign Plan Objectives**



# Recommendations

- **Move forward and brief ESC**
  - **Accept revised roles and responsibilities**
  - **Formally designate AMC as National Manager**
  - **Approve demonstration concept**
- **Release message to field**